

Project Success
of the Nazarene Missionary Baptist Church
June 30, 2012

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HEBERT, CARBO & CRUTCHFIELD, CPAS

Independent Accountant's Compilation Report

The Board of Directors
Project Success
Alexandria, Louisiana

We have compiled the accompanying statement of financial position of the Project Success program of Nazarene Missionary Baptist Church (a non-profit organization), as of June 30, 2012, and the related statements of activities, functional expenses and cash flows for the year then ended.

We have not audited or reviewed the accompanying financial statements and, accordingly do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are not material modifications that should be made to the financial statements.

HCC, CPA

Alexandria, Louisiana
December 6, 2012

Financial Statements

**Project Success
Alexandria, Louisiana
Statement of Financial Position
June 30, 2012**

<u>Assets</u>	
Current assets:	
Cash	\$ 13,477
 Total Assets	 <u>13,477</u>
 <u>Liabilities and Net Assets</u>	
Liabilities:	
Due to Church General Fund	<u>13,477</u>
 Total Liabilities	 <u>13,477</u>
Net assets	
Unrestricted	-
Temporarily restricted	-
Permanently restricted	<u>-</u>
 Total Net Assets	 <u>-</u>
 Total Liabilities and Net Assets	 <u>\$ 13,477</u>

See accompanying notes and accountant's report.

**Project Success
Alexandria, Louisiana
Statement of Activities
For the year ended June 30, 2012**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support and Revenues				
Support:				
Government grants	\$ -	\$ 86,790	\$ -	\$ 86,790
Miscellaneous	-	-	-	-
Net assets released from restrictions	<u>86,790</u>	<u>(86,790)</u>	<u>-</u>	<u>-</u>
Total support and revenues	86,790	-	-	86,790
Net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total support, revenues, and other support	86,790	-	-	86,790
Expenses				
Program services	<u>86,790</u>	<u>-</u>	<u>-</u>	<u>86,790</u>
Total expenses	<u>86,790</u>	<u>-</u>	<u>-</u>	<u>86,790</u>
Change in net assets	-	-	-	-
Net assets				
Beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes and accountant's report.

**Project Success
Alexandria, Louisiana
Statement of Cash Flows
For the year ended June 30, 2012**

Cash Flows from Operating Activities	
Change in net assets	\$ -
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Changes in operating assets and liabilities:	
Due to church	6,565
Net Cash Used in Operating Activities	<u>6,565</u>
Cash Flows from Investing Activities	
Net Cash Used in Investing Activities	<u>-</u>
Cash Flows from Financing Activities	
Net Cash Used in Investing Activities	<u>-</u>
Decrease in Cash and Cash Equivalents	6,565
Cash and Cash Equivalents, Beginning of Year	<u>6,912</u>
Cash and Cash Equivalents, End of Year	<u>\$ 13,477</u>

See accompanying notes and accountant's report.

Project Success

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Organization

The Project Success program of the Nazarene Missionary Baptist Church of Alexandria, Louisiana (hereafter referred to as the Organization) was established to provide a prevention program for youths between the ages of 8 and 15. It provides this through educating the youth at various places throughout central Louisiana. Groups are held at different sites in the community and school based services at schools located in the central Louisiana region. The prevention program's mission is family focused, evidence based and outcome driven while maintaining a cost effective delivery system.

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. The preparation of financial statements in conformity with accounting principles generally accepted in the United State of America requires management to make estimates and assumptions. As a result, actual results could differ from these estimates.

Tax Status

Under Section 501(c)(3) of the Internal Revenue Code, the organization is exempt from federal income taxes, therefore, no provision for such taxes has been made. The organization is classified for tax purposes as an other than private foundation.

Support

All support is considered to be available and unrestricted unless grant regulations contain legal requirements and restrictions. The Temporarily restricted grant support for fiscal year ended June 30, 2012, was received from the State of Louisiana on a per diem basis.

Project Success

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

Financial Statement Presentation

The Organization adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations". Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows. As permitted by this new statement, the Organization, has discontinued its use of presenting financial statements by fund and has, accordingly reclassified its financial statements to present the three classes of net assets required.

Budget Policy

Budgets are prepared by the organization's Director and approved by the grantor of the funds. Budgets are prepared on a basis consistent with generally accepted accounting principles.

Property and Equipment

Property and Equipment will be recorded at cost for purchased assets or at fair market value on the date of any donation. After the purchase of equipment, depreciation will be provided in the Financial Statements over the estimated useful lives of the depreciable assets on the straight line basis. The following estimated useful lives will generally be used:

Furniture and Equipment 5-7 years

Cash and Cash Equivalents

For the purpose of the financial statements, the organization considers all demand deposits and time deposits with an initial maturity of three months or less to be cash equivalents.

Project Success

Notes to Financial Statements

2. Funding Policies and Sources of Funds

The organization receives its monies on a contract basis. Under this method, funds are received on a services provided basis from the State of Louisiana Department of Health and Hospitals.

3. Functional Allocation of Expenses

The costs of providing the program and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, when joint costs are present, they are allocated between the program and other supporting services.

4. Board of Directors' Compensation

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any members.

5. Cash

As of June 30, 2012, cash held by Project Success, was secured in full by FDIC (Federal Depositors Insurance Corporation) Insurance at the institution where deposited. Cash and cash equivalents at June 30, 2012 are as follows:

Non Interest Bearing Checking account	\$13,477
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6. Economic Dependency

Project Success receives the majority of its revenue from funds provided through contracts administered by the Louisiana Department of Health and Hospitals. The contract amounts are appropriated each year by the State government. If significant budget cuts are made at the State level, the amount of funds Project Success receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds Project Success will receive in the next fiscal year.

Project Success

Notes to Financial Statements

7. Contingencies

Project Success evaluates contingencies based upon the best available evidence. The Organization believes that no allowance for loss contingencies is considered necessary. However, the following matters should be considered.

Funding

Amounts received from grantor agencies are subject to audit and adjustment by the agency. Any disallowed cost, including amounts already collected may constitute a liability. The amount, if any, which may be disallowed cannot be determined at this time although the Organization expects such amounts to be insignificant.

8. In-Kind Donations

During 2011-2012, the Organization was allowed to use a building and utilities at no cost. The building is owned by the City of Alexandria. No objective measurement on the fair rental value of the buildings and utilities was available; therefore, no income or expense has been recognized.

9. Operating Leases

Facilities

The Organization provides part of the program services in facilities located in Alexandria. The facility is provided by the City of Alexandria and the La. Dept of Health and Hospitals at no cost. Accordingly, no amounts have been recorded in the financial statements. All leases are month to month operating leases which are renewable by written notice.

Copier

The office copier is leased for \$74 per month.

The future minimum lease payments for this lease are as follows:

	Amount
Year Ending June 30, 2012	\$ 888
Year Ending June 30, 2013	\$ 888
Year Ending June 30, 2014	<u>\$ 888</u>
Total	\$2,664

Project Success

Notes to Financial Statements

10. Net Assets Released from Restrictions

Net assets were released from restrictions by incurring expenses which satisfy the intended restricted purpose or occurrence of other events which satisfy the grant requirements. There were no permanently restricted net assets, temporarily restricted net assets or unrestricted net assets at June 30, 2012.

11. Subsequent Events

The Organization has evaluated subsequent events through December 6, 2012, the date which the financial statements were available to be issued.

Accompanying Schedule

**Project Success
Alexandria, Louisiana
Statement of Functional Expenses
For the year ended June 30, 2012**

Bank Service Charges	\$ 138
Contract Services	1,365
Operations:Copier Rental	944
Operations:Facilitator Services	1,050
Operations:Books, Subscriptions, Reference	113
Operations:Membership Dues	76
Operations:Postage, Mailing Service	175
Operations:Supplies	4,208
Operations:Telephone, Telecommunications	1,665
Payroll Expenses	66,940
Travel and Meetings:Travel	1,664
Travel and Meetings: Conference, Convention Meetings	1,886
Miscellaneous Expense	<u>6,566</u>
 Total Expenses	 <u>\$ 86,790</u>

See accountant's report.